
A BILL FOR AN ACT

RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR
EXPLORATION SYSTEMS SPECIAL FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the Pacific
2 international space center for exploration systems was
3 established to attract and retain aerospace investment in the
4 State and to bridge the gap between the public and private
5 sector. The establishment of the Pacific international space
6 center for exploration systems special fund will enable the
7 Pacific international space center for exploration systems to
8 better achieve these goals.

9 The purpose of this Act is to establish a special fund for
10 the operation, maintenance, and management of the Pacific
11 international space center for exploration systems' projects,
12 facilities, services, and publications.

13 SECTION 2. Chapter 201, Hawaii Revised Statutes, is
14 amended by adding a new section to be appropriately designated
15 and to read as follows:

16 "§201- Pacific international space center for
17 exploration systems special fund. (a) There is established in



1 the state treasury the Pacific international space center for
2 exploration systems special fund, into which shall be deposited:

3 (1) Revenues, moneys, and fees from services, rentals,
4 publications, royalties, and patents;

5 (2) Gifts, donations, and grants received by the Pacific
6 international space center for exploration systems;

7 (3) Proceeds from revenue bonds issued by the director of
8 finance; and

9 (4) Appropriations made by the legislature to the fund.

10 (b) Moneys in the fund shall be used by the Pacific
11 international space center for exploration systems for the
12 operation, maintenance, and management of its projects,
13 facilities, services, and publications and for the design and
14 construction of new facilities and the renovation of or addition
15 to existing facilities.

16 (c) All moneys remaining in the Pacific international
17 space center for exploration systems special fund at the close
18 of each fiscal year that are deemed, by the director of finance,
19 to be in excess of the moneys necessary to carry out the
20 purposes of this section in the next fiscal year shall lapse to
21 the credit of the state general fund."



1 SECTION 3. New statutory material is underscored.

2 SECTION 4. This Act shall take effect on July 1, 2050.

3



Report Title:

Pacific International Space Center for Exploration Systems;
Special Fund

Description:

Establishes the Pacific international space center for exploration systems special fund for the operation, maintenance, and management of the Pacific international space center for exploration systems' projects, facilities, services, and publications. Effective 7/1/2050. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.





**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

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Statement of

LUIS P. SALAVERIA
Director

Department of Business, Economic Development & Tourism

before the

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND BUSINESS

Tuesday, March 24, 2015

9:00 a.m.

State Capitol, Conference Room 312

in consideration of

SB 1158, SD1

**RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR
EXPLORATION SYSTEMS SPECIAL FUND.**

Chair Kawakami, Vice Chair Kong, and Members of the Committee.

The department offers comments on this bill to establish a special fund for the operation, maintenance, and management of the Pacific International Space Center for Exploration Systems' (PISCES') projects, facilities, services, and publications.

PISCES was established to attract and retain aerospace investment in the State, as well as to help bridge the gap between the public and private sector in aerospace-related activities. The Legislature also has asked PISCES to work toward self-sufficiency. However, at this time, PISCES only has the ability to receive and spend funding allocated within in the Hawaii State budget, and does not have a mechanism to receive or spend funds from any other source.

PISCES needs a way to accept and use money that will potentially come from four different sources: (1) project level work for users of PISCES analog test sites (e.g., related to the Hi-Seas nutritional test, Google Lunar X-Prize Teams, and robotic testing in lava pits and skylights); (2) grants, cooperative agreements and contracts awarded to PISCES by the National Aeronautics and Space Administration (NASA), the National Science Foundation (NSF), Hawaii

County, and other government sources; (3) contributions and sponsorships from private and corporate sponsors, as well as individual donors; and (4) revenue from the operation of PISCES' future Aerospace Research Park, the performance of miscellaneous support services, and/or the sale of publications or products.

PISCES has found it especially challenging to accept money from non-State sources, and there have been cases where the Center has had to forego revenue because it could not respond within the performance period of the available funding. As such, it is most important that a ready and available conduit for accepting and expending funds from non-State sources be identified for this Center.

DBEDT defers to the Department of Budget and Finance on the appropriateness of creating a special fund for the four purposes in Section 2 of this measure.

Thank you for the opportunity to testify on this bill.

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND BUSINESS
ON
SENATE BILL NO. 1158, S.D. 1

March 24, 2015

LATE

RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR
EXPLORATION SYSTEMS SPECIAL FUND

Senate Bill No. 1158, S.D. 1, establishes the Pacific International Space Center for Exploration Systems (PISCES) special fund for the operation, maintenance, and management of the PISCES projects, facilities, services, and publications within the Office of Aerospace in the Department of Business, Economic Development and Tourism (DBEDT).

The Department of Budget and Finance (B&F) defers to DBEDT regarding the merit of the bill; however, as a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, Hawaii Revised Statutes (HRS). Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. In regards to Senate Bill No. 1158, S.D. 1, it is difficult to determine whether the fund will be self-sustaining.

I encourage the Legislature to review the fiscal and operational plan for this program to ensure that it does conform to the requirements of Section 37-52.3, HRS.

DENNIS "FRESH" ONISHI
Council Member
District 3



PHONE: (808) 961-8396
FAX: (808) 961-8912
EMAIL: donishi@co.hawaii.hi.us

HAWAI'I COUNTY COUNCIL
25 Aupuni Street, Hilo, Hawai'i 96720

March 22, 2015

The Honorable Derek S.K. Kawakami, Chair
and Members of the House Committee on Economic Development & Business

Dear Chair Kawakami, Vice Chair Satoru Kong and Committee Members,

Thank you for the opportunity to submit testimony in support of Senate Bill No. 1158 SD1, establishing a special fund for the operation, maintenance and management of PISCES' projects, facilities, services, and publications.

Hawai'i is in a prime position to leverage our State's unique geography and the resources and capabilities available at PISCES to secure a major role in the maturation and utilization of these pioneering technologies.

By recommending passage of this bill, the State of Hawai'i will be making long term investments toward a fast paced, non-stop, growing aerospace industry.

Thank you for the opportunity to provide testimony in support of this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis Onishi".

Dennis "Fresh" Onishi
Hawai'i County Council Member



Pacific International
Space Center for
Exploration Systems

TESTIMONY IN SUPPORT OF:

SB1158– RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION SYSTEMS
(PISCES) SPECIAL FUND.

Dear Members of the 28th Hawaii State Legislature,

I am writing in support of the passage of SB1158, which establishes a PISCES Special Fund.

PISCES was established to attract and retain aerospace investment in the State and to bridge the gap between the public and private sector. The Legislature has also asked PISCES to work toward self-sufficiency. However, at this time, PISCES only has the ready ability to receive and spend funding allocated in the Hawaii State budget. PISCES does not have a ready mechanism available to receive or spend funds from any other source.

PISCES needs a way to accept and use money that will potentially come from four different sources.

1. Project level work for users of PISCES analog test sites: Examples of projects in the recent past and near future are the HiSeas nutritional test, Google Lunar XPrize Teams, and robotic testing in pits/skylights.
2. Grants, cooperative agreements and contracts awarded: e.g. NASA, NSF, County government, and others.
3. Contributions/sponsorships from private/corporate sponsors and individual donors: For example, a corporation or individual may wish to sponsor an X Prize team by contributing to their travel to Hilo for analog site testing of their equipment.
4. Revenue from the operation of the future Aerospace Research Park, performance of miscellaneous support services, or sale of publications or products.

PISCES has found it so difficult to accept money from non-State sources that there have been cases where it has had to forego revenue because it could not react within the performance period of the funding available. In a recent case where County funds were allocated to PISCES, it took nearly seven (7) months from the receipt of the check from the County to the moment when the funds were available for PISCES use. This was over half of the performance period of the grant.

It is of paramount importance that a ready and available conduit for accepting and expending funds from non-State sources be identified.

Your affirmative consideration of this bill will be deeply appreciated.

Mahalo,

Robert M. Kelso
Executive Director, PISCES

99 Aupuni Street, Suite 212-213 – Hilo, HI 96720 – Phone: (808) 935-8270
Website: pisc.es.hawaii.gov

Pauline Roth
HC3 Box 13581
Kea'au, HI 96749

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Your affirmative consideration of this bill will be deeply appreciated.

Mahalo,



Pauline Roth



February 11, 2015

To whom it may concern,

Subject: Testimony for SB1158 PISCES Special Fund

I currently serve on the PISCES Board of Directors and am the Managing Partner of Near Earth LLC, an investment bank covering the space and satellite industry. I am submitting this testimony in strong support of this bill to allow PISCES to create a special fund in the Hawaii State Treasury to accept revenues, fees for service, grants, gifts, and donations to be used by PISCES in addition to legislative appropriations for the operation and maintenance of its projects, facilities, services and for the design and construction of new facilities or renovations or additions to existing facilities.

To the extent PISCES can attract donations and corporate sponsors, win grants or charge fees for its services and facilities, these extra sources of funding could either allow the organization to initiate and engage in more activities, accelerate the rate of progress on existing initiatives or better prepare for future project needs by adding appropriate facilities. Without these extra sources of funding, the pace at which PISCES may grow will be limited by State budgetary considerations and the legislative calendar. Judging from the large number of Memorandum of Understandings the organization has executed since its inception, there is strong and growing demand to use the PISCES facilities and services. The availability of funding seems to be a growing constraint to PISCES realizing its full potential for the State of Hawaii and the international space community.

I therefore encourage you to pass SB1158 and am available to answer any questions you may have and can be reached at (203) 355-3527 or by email at hoyt@nearearthllc.com. Thank you for the opportunity to testify on this bill.

With much mahalo,

A handwritten signature in black ink that reads "Hoyt Davidson".

Hoyt Davidson

HENK B. ROGERS

55 Merchant Street
Honolulu, HI, 96813

TESTIMONY IN SUPPORT OF:

SB1158– RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION SYSTEMS (PISCES) SPECIAL FUND.

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It is of paramount importance that a ready and available conduit for accepting and expending funds from non-State sources be identified. Your affirmative consideration of this bill will be deeply appreciated.

Mahalo,

A handwritten signature in black ink, appearing to read 'Henk B. Rogers', with a long horizontal line extending to the right.

Henk B. Rogers
Entrepreneur

Chairman, Blue Planet Software
Managing Director, The Tetris Company
Chairman, Blue Planet Foundation
Founder, Blue Startups
Chairman, PISCES
Director, East West Center Foundation
Honorary Consul to Hawaii, the Kingdom of the Netherlands
Member, Broadband Task Force